


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2000-125-C - ORDER NO. 2000-524

JUNE 29, 2000

IN RE: Application of Advanced TelCom Group, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-based Local Exchange and Interexchange Telecommunications Services within the State of South Carolina.)	ORDER GRANTING
)	CERTIFICATE TO PROVIDE
)	LOCAL EXCHANGE AND
)	INTEREXCHANGE
)	TELECOMMUNICATIONS
)	SERVICES
)	



This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Advanced TelCom Group, Inc. ("ATGI" or the "Company") for authority to provide resold and facilities-based local exchange and interexchange telecommunications services within the State of South Carolina. The application was filed pursuant to S.C. Code Ann. Sections 58-9-280 and 58-9-520 (Supp. 1999), and the Rules and Regulations of the Commission.

By letter, the Commission's Executive Director instructed ATGI to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. ATGI complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC").

On May 18, 2000, counsel for the SCTC filed with the Commission a Stipulation in which ATGI stipulated that it would seek authority in non-rural local exchange (“LEC”) service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until ATGI provided written notice of its intent prior to the date of the intended service. ATGI also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. ATGI agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to ATGI provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on June 1, 2000, at 3:00 p.m. in the Commission's Hearing Room. The Honorable Philip T. Bradley, Chairman, presided. ATGI was not represented by counsel. Adelaide D. Kline, Staff Counsel, represented the Commission Staff.

Kathryn L. Thomas, Vice President-Regulatory & Public Policy for ATGI, appeared and testified in support of the application. According to Ms. Thomas, ATGI is a Delaware corporation that has received authorization to transact business within the State of South Carolina from the Secretary of State for South Carolina. ATGI's principle office is located in Santa Rosa, California. ATGI seeks authority to offer a full array of interexchange and local exchange services to both business and residential customers,

including the following: interexchange (switched and dedicated) services to include: (A) 1+ and 101XXXX outbound dialing; (B) 800/888 toll-free inbound dialing; (C) calling cards; and (D) data services. In the local exchange area the Company seeks to provide the following services: (A) local exchange services for business and residential telecommuter customers that will enable customers to originate and terminate local calls in the local calling area served by other LECs; (B) switched local exchange services, including basic service, trunks, carrier access, and any other switched local services that currently exist or will exist in the future; (C) non-switched local services (e.g. private line) that currently exist or will exist in the future; (D) centrex and/or centrex-like services that currently exist or will exist in the future; and (E) digital subscriber line, ISDN, and other high capacity services. In addition to the services listed above, ATGI, through interconnection with other carriers, will offer dual-party relay services, 9-1-1 Emergency Services, directory assistance and operator assisted calls, lifeline, and toll-free calling.

Ms. Thomas explained that ATGI intends to focus primarily on advanced bandwidth services, business services, and home office telecommuter customers. She further explained the Company will serve both residential and business customers. ATGI will initially resell the facilities of the existing LECs or underlying carriers that presently serve South Carolina. The Company will primarily resell the facilities and services of BellSouth; will also use unbundled network elements and services purchased from BellSouth and other incumbent local exchange providers, where applicable, to provide service through ATGI's facilities. Ms. Thomas stated ATGI's underlying carrier will be Qwest.

Ms. Thomas explained that management decides which markets it wishes to go into by doing three week investigatory visits, by sending corporate officers to talk with local authorities to determine if this markets suits its goals, and then recommending to the board of directors the specific markets that have been chosen. Ms. Thomas stated there are several South Carolina markets the Company would potentially be interested in serving. She said once the board of directors has approved a market, it will have a switch up, operating and serving customers within nine months of that decision. Prior to the time the desired markets are chosen, Ms. Thomas said the Company plans to provide resold telecommunications services.

When ATGI installs facilities in South Carolina, it will probably use the following configuration of equipment: ATGI will provide voice, high speed data and Internet access services through a combination of the latest technology switching and transport media comprised of the Lucent Technology 5 ESS Generic 13 switch module, ADSL/SDSL transport and Internet service equipment and the latest Optical multiplexer DAC's configurations. The Switching system consists of a central processing and control complex capable of interconnection as a peer to the incumbent as well as competitive local exchange companies. The hub portion of the switch will interconnect with the public switched network on Signaling System 7 ("SS7") or Feature Group D ("FGD") facilities. The system's remote module capability will allow properties to be served in a manner that provides the exchange of appropriate signaling, control and calling/caller information to the network in accordance with network standards and specifications. Additionally, these services will be delivered over a combination of delivery mechanisms

through incumbent local carriers' unbundled loop network, both copper and fiber and transport networks, as well as via ATGI constructed facilities.

ATGI will use direct marketing methods (local sales forces calling on customers) to market its services and has no plans to use telemarketing in South Carolina at this time; the Company is aware of the Commission's guidelines on telemarketing. ATGI intends to use local advertising such as radio and print media. The Company's customer service toll-free telephone number (1-800-FOR-ATGI) will be printed on the bill and is available twenty-four hours a day, seven days a week. Customer calls regarding repairs go to the same toll-free number. Ms. Thomas testified the Company will verify a customer's intent to change from its current carrier to ATGI by having the customer sign a Letter of Agency.

As to the Company's technical ability to provide the telecommunications services it seeks to provide in South Carolina, Ms. Thomas stated the Company will be doing its billing in-house beginning in September, 2000; the bills will be sent from Salem, Oregon, but the billing will be managed from within the Company.

ATGI has received authorization to provide local exchange and interexchange services in sixteen states and is currently providing services in California, Maryland, Nevada, Oregon and Washington. Ms. Thomas testified that ATGI will obtain service from carriers certified in South Carolina such as BellSouth for local services and other certified carriers for long distance services. She stated the Company has made a request for negotiations with BellSouth and is hoping to achieve a thirteen state interconnection agreement.

Ms. Thomas testified the Company was incorporated in June of 1998 by three members of the former management team of Brooks Fiber Properties, Western Region, which was acquired by MCIWorldCom in October of 1997. She described ATGI's management team as having extensive experience in the telecommunications industry. She stated she was the second person hired by the Company and that three people on the core management team had formerly worked together at Brooks Fiber Properties, Western Region. Ms. Thomas, Vice President-Regulatory and Public Policy, has nineteen plus years experience in the regulated utility industry. The other principals and officers also have many years experience in the telecommunications industry. Some of the other officers are: Clifford G. Rudolph, Chairman and Chief Executive Officer, who has twenty-five years experience as an entrepreneur and senior executive in both the telecommunications and computer industry; Robert T. Warstler, President and Chief Operating Officer, who has twenty-five plus years experience in the telecommunications and computer industries; and Michael R. Black, Sr., Vice President-Sales and Field Operations, who has twenty-five plus years experience in the telecommunications industry. Curtis E. Wheeling, Sr. is Vice President of Marketing, Thomas A. Grina, Sr. is Vice President and Chief Financial Officer, Katharine S. Klein is Senior Vice President-Mergers and Acquisitions, and Charles C. Seefloth is Vice President-Field Operations. Ms. Thomas said the Company identifies markets based upon an economic index and intends to have a nationwide footprint within five years of its incorporation. She offered that at the present time, ATGI is in the process of building networks in ten states, and is

also in the process of applying for authorization to provide competitive local exchange and interexchange services in the forty-eight contiguous states, Alaska and Hawaii.

With regard to ATGI's financial resources, Ms. Thomas stated ATGI has raised approximately \$560 million in venture capital and bank funds, and was largely funded by former investors of Brooks Fiber Properties. A review of the financial information submitted with the application indicates a very liquid company as of December 31, 1999, with a good current ratio and long-term debt that makes up about thirty-six percent of total liabilities and equity. The financial contact person is Eric Russell, Controller, at corporate headquarters in Santa Rosa, California, who can be reached at (707) 284-5000, or Ms. Thomas. Ms. Thomas is also ATGI's regulatory contact person. She further stated the Company now has over 500 employees, and has designed its services for third and fourth tier markets that are clustered together.

By its Application and presentation at the hearing, ATGI requested several waivers of Commission Rules and Regulations. First, ATGI requested that it be exempt from any record-keeping rules that might require it to maintain its financial records in conformance with the Uniform System of Accounts. ATGI offered that it will maintain its book of accounts in accordance with Generally Accepted Accounting Principals ("GAAP"). ATGI asserts that the Commission will have a reliable means to evaluate ATGI's operations under GAAP.

Second, ATGI requests that it not be required to publish local exchange directories as required by 26 S. C. Code Ann. Regs. 103-631 (Supp. 1999). ATGI offered

that it will make arrangements with the incumbent LECs to publish the names and numbers of the ATGI customers.

Third, ATGI requests waivers of any reporting requirements which are not applicable to competitive providers such as ATGI. ATGI asserts that such reporting requirements are not consistent with the competitive market and that these requirements constitute an undue burden on a competitive provider.

Finally, the Company requests a waiver of 26 S.C. Code Ann. Regs. (Supp. 1999) which requires a company to keep its books and records within South Carolina. ATGI desires to keep its books and records at its headquarters in Santa Rosa, California; it will keep South Carolina specific records.

Upon certification from this Commission, Ms. Thomas warranted that ATGI will abide by all the Rules and Regulations of the South Carolina Public Service Commission. Ms. Thomas affirmed that ATGI would participate in support of universally available telephone service at affordable rates and that ATGI would provide services which meet the applicable service standards of the Commission. Further, Ms. Thomas testified that the provision of local service by ATGI would neither adversely impact the public interest nor would ATGI's service adversely impact the availability of affordable local exchange service. Ms. Thomas offered that approval of ATGI's application is in the public interest because residential and business consumers will receive increased choice, improved quality of service, and heightened opportunities to obtain improved technology in their homes and businesses. Further, market incentives for new and old telecommunications providers will be improved through an increase in diversity of suppliers and competition.

Further, the granting of authority will offer increased efficiency of the state's telecommunications infrastructure.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. ATGI is organized as a corporation under the laws of the State of Delaware and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. ATGI is a provider of local exchange telecommunications services and interexchange telecommunications services, and ATGI wishes to provide its services in South Carolina.
3. The Commission finds, based upon the evidence presented at the hearing, that ATGI has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B)(1) (Supp. 1999).
4. The Commission finds that ATGI's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 1999).
5. The Commission finds that ATGI will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B)(4) (Supp. 1999).

6. The Commission finds that ATGI will provide services which will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B)(2) (Supp. 1999).

7. The Commission finds that the provision of local exchange service by ATGI “does not otherwise adversely impact the public interest.” S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 1999).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to ATGI to provide competitive resold and facilities-based intrastate local exchange service in South Carolina. The terms of the Stipulation between ATGI and SCTC are approved and adopted as a part of this Order. Any proposal to provide service to rural service areas is subject to the terms of the Stipulation. In addition, ATGI is granted authority to provide intrastate interLATA interexchange service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. ATGI shall only charge those rates and charges approved it is tariffs on file with the Commission, as provided in S.C. Code Ann Section 58-9-230 (Supp. 1999).

3. ATGI shall file, prior to offering local exchange telecommunications services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters.

4. Any proposed change in rates for local telecommunications services must be made in compliance with S.C. Code Ann. Section 58-9-520 (Supp. 1999) and 58-9-540 (Supp. 1999).

5. With regard to the long distance service offerings of ATGI, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

ATGI shall not adjust its long distance rates below the approved maximum level without notice to the Commission and to the public. ATGI shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for long distance services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a

general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

6. If it has not already done so by the date of issuance of this Order, ATGI shall file its revised maximum long distance tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

7. ATGI is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

8. With regard to the Company's resale of interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

9. ATGI shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If ATGI changes underlying carriers, it shall notify the Commission in writing.

10. With regard to the origination and termination of toll calls within the same LATA, ATGI shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dial parity rules established by the Federal

Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

11. ATGI shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated as Attachment B. Attachment B is a two page document designated as Annual Information on South Carolina Operations for Interexchange Companies and AOS'. Further, ATGI shall file such other annual financial information as the Commission requires of competitive local exchange companies. Attachment C consists of four pages designated as Annual Report for Competitive Local Exchange Carriers. This information includes annual reports and gross receipts reports. The annual report and the gross receipt report necessitate the filing of intrastate information; ATGI shall keep such financial records on an intrastate basis as needed to comply with these reporting requirements.

12. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

ATGI shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment A shall be utilized for the provision of this information to the Commission.

Further, the Company shall promptly notify the Commission in writing if the representatives are replaced, and the Company is directed to comply with the Commission regulations unless waived by the Commission.

13. ATGI shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

14. ATGI requested waivers from certain Commission regulations and requirements. Specifically, ATGI requested waivers from (1) any requirement that ATGI maintain its books and records under the Uniform System of Accounts (“USOA”), (2) the requirement found in Rule 103-631 to publish and distribute local exchange directories, and (3) any reporting requirements which, although applicable to incumbent LECS, are not applicable to competitive providers. At the hearing, ATGI also requested a waiver from the requirements found in Rule 103-610 that all records be kept within the State of South Carolina. The Commission grants ATGI’s request that it be allowed to maintain its books and records using Generally Accepted Accounting Principles (“GAAP”), rather than USOA. The Commission also grants the request for waiver from the requirement to publish directories as ATGI has indicated that it will contract with the incumbent local exchange company to include the customers of ATGI in the directory listing of the ILEC directory. Further, the Commission grants the request for a waiver from the requirement contained in Rule 103-610 that all records be kept within the State of South Carolina as ATGI has indicated that its principal place of business is located in Santa Rosa, California. Furthermore, ATGI has indicated that it will make its records available for

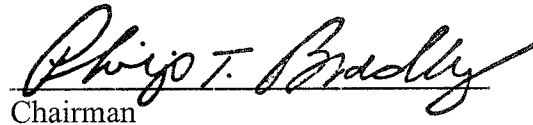
inspection upon request by the Commission. The Commission denies ATGI's request for waiver of any reporting requirements which are not applicable to competitive providers. Such a request is too broad and lacks specificity. The Commission will not grant a blanket waiver. The Commission Rules and Regulations allow for waivers to be granted under certain situations, however, this Commission will only entertain specific requests and will not entertain a blanket request with no specificity. ATGI is directed to comply with all Commission Rules and Regulations, unless a regulation is specifically waived by the Commission.

15. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs ATGI to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, ATGI shall contact the 911 Coordinator in each county,

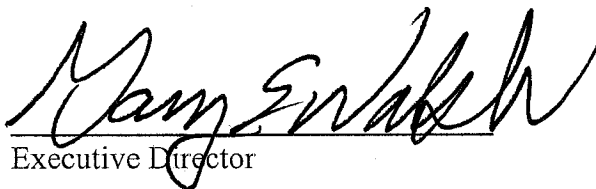
as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

16. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

JUNE 29, 2000

ATTACHMENT A

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

Business Address

City, State, Zip Code

A.

General Manager Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

B.

Customer Relations (Complaints) Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

C.

Engineering Operations Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

D.

Test and Repair Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

E.

Contact for Emergencies During Non-Office Hours (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

F.

Financial Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

G.

Customer Contact Telephone Number for Company (Toll Free)

This form was completed by

Signature

If you have any questions, contact the Consumer Services Department (803-896-5230)
or Utilities Department at (803-896-5105).

**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'**

<hr/> COMPANY NAME	<hr/> FEIN
<hr/> ADDRESS	<hr/> PHONE NUMBER
<hr/> CITY, STATE, ZIP CODE	<hr/> FAX NUMBER

1. SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR. \$ _____
2. SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR. \$ _____
3. RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS FOR THE 12 MONTHS
ENDING DECEMBER 31, 2000 OR FISCAL YEAR:

Gross Plant in located or allocated to South Carolina operations \$ _____

CWIP located in or allocated to South Carolina operations \$ _____

Land located in or allocated to South Carolina operations \$ _____

Accumulated Depreciation of South Carolina Plant (\$ _____)

Net Rate Base located in or allocated to South Carolina operations \$ _____

4. PARENT'S CAPITAL STRUCTURE FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR:

LONG TERM DEBT \$ _____

EQUITY \$ _____

5. PARENT'S AVERAGE RATE OF INTEREST ON LONG TERM DEBT _____ %.

JUNE 29, 2000

ATTACHMENT B

6. CONTACT PERSON FOR ALL FINANCIAL INQUIRES AND REPORTING:

NAME _____

ADDRESS IF DIFFERENT FROM COMPANY _____

TELEPHONE NUMBER _____

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'

- 7. ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE)(USE BACK IF NEEDED).**

NAME OF OFFICER SIGNING FORM (PRINT OR TYPE) _____

SIGNATURE _____

TITLE _____

DOCKET NO. 2000-125-C – ORDER NO. 2000-524
JUNE 29, 2000
ATTACHMENT C

ANNUAL REPORT FOR COMPETITIVE LOCAL EXCHANGE CARRIERS

COMPANY NAME: _____

ADDRESS: _____

CITY: _____ **STATE:** _____ **ZIP:** _____

PHONE NUMBER: _____ **FAX NUMBER:** _____

****If any of this information changes, the Commission is to be notified at once****

OFFICERS: PRESIDENT: _____

VICE PRESIDENT: _____

TREASURER: _____

CONTACT PERSON FOR FINANCIAL AND REGULATORY INFORMATION:

NAME: _____

(PLEASE PRINT OR TYPE)

CONTACT'S PHONE: _____

****If this person changes, you must notify the Commission immediately****

COMPETITIVE LOCAL EXCHANGE CARRIERS

Company Name: _____

**Income Statement
12/31/2000/or Fiscal Year**

Particulars	<u>Current Year-Total</u> Company	<u>Last Year-Total</u> Company	<u>SC Intrastate-Current</u> Year
Revenues			
Operating Revenues			
<u>Operating Expenses</u>			
Access and Billing Expenses and Expenses Related to Resale			
Other Local Interconnection Expenses			
Leases Facilities from Other Carriers			
Communications System Operations			
Sales and Marketing			
Administration and General			
Depreciation and Amortization			
Other			
Total Operating Expenses			
Net Operating Income			
<u>Other Income and Expenses</u>			
Nonoperating Income and Expenses (Net)			
Nonoperating Taxes			
Interest			
Extraordinary Items			
Total Other Income and Expenses (Net)			
Net Income			

Number of South Carolina Access Lines	
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COMPETITIVE LOCAL EXCHANGE CARRIERS

Company Name: _____

**Balance Sheet-Total Company
December 31, 2000/or Fiscal Year Ending**

Particulars	Balance at Beginning of Year	Balance at Ending of Year
<u>Current Assets</u>		
Cash and Cash Equivalents		
Accounts Receivable-Telecommunications		
Accounts Receivable-Other		
Notes Receivable		
Other Receivables		
Materials and Supplies		
Prepays		
Other Current Assets		
Total Current Assets		
<u>Noncurrent Assets</u>		
Investments		
Other Noncurrent		
Deferred Charges		
Total Noncurrent Assets		
<u>Plant Assets</u>		
Telecommunications Plant in Service		
Accumulated Depreciation		
Net Telecommunications Plant in Service		
Other Plant Assets (Net of Depreciation)		
Construction Work in Progress		
Total Plant		
Total Assets		

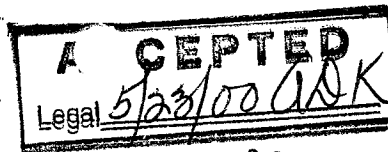
COMPETITIVE LOCAL EXCHANGE ANNUAL REPORT

Company Name: _____

Balance Sheet-Total Company
December 31, 2000/or Fiscal Year Ending

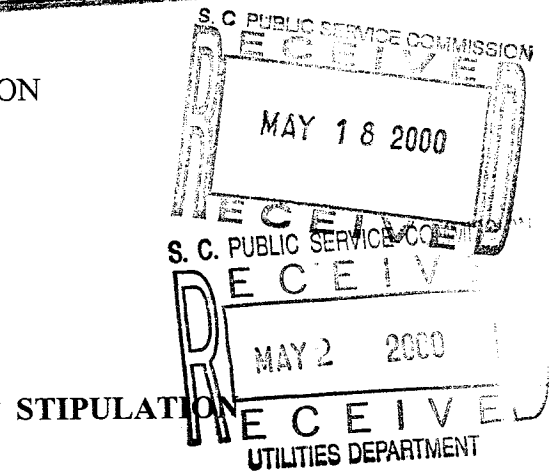
Particulars	Balance at Beginning of Year	Balance at Ending of Year
<u>Current Liabilities</u>		
Accounts Payable		
Advanced Billings and Payments		
Customer Deposits		
Long Term Debt-Current Maturities		
Accrued Liabilities		
Other Current Liabilities		
Total Current Liabilities		
<u>LongTerm Debt</u>		
Long Term Debt		
Obligations Under Capital Leases		
Advances From Affiliated Companies		
Other Long Term Debt		
Total Long Term Debt		
<u>Stockholders Equity</u>		
Capital Stock		
Additional Paid in Capital		
Retained Earnings		
Total Stockholders Equity		
Total Liabilities and Stockholders Equity		

POSTED
JUN 29 2000



BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Re: Application of Advanced TelCom Group, Inc.)
for a Certificate of Public Convenience and)
Necessity to Provide Local Exchange and)
Interexchange Telecommunications Services to)
Both Residential and Business Customers in the)
State of South Carolina)



The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Advanced TelCom Group, Inc. ("Advanced TelCom") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Advanced TelCom's Application. SCTC and Advanced TelCom stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Advanced TelCom, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Advanced TelCom stipulates and agrees that any Certificate which may be granted will authorize Advanced TelCom to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Advanced TelCom stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Advanced TelCom stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area,

RETURN DATE: 06 00
SERVICE: 06 00

unless and until Advanced TelCom provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Advanced TelCom acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Advanced TelCom stipulates and agrees that, if Advanced TelCom gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Advanced TelCom will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Advanced TelCom acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

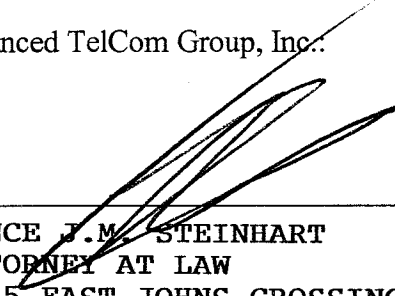
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Advanced TelCom, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Advanced TelCom agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Advanced TelCom hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 16th day of May, 2000.

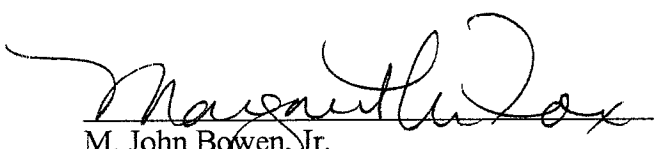
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ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company